# GOVERNMENT OF INDIA
# LABOUR
# LOK SABHA

STARRED QUESTION NO:11
ANSWERED ON:18.11.2002
SKILL DEVELOPMENT FUND
GAJENDRA SINGH RAJUKHEDI

**Will the Minister of LABOUR be pleased to state:**

(a) whether the Government propose to set up a Skill Development Fund (SDF) to improve the efficiency of employees in the unorganised sector; and

(b) if so, the details of the provisions made by the Government for setting up of the SDF?

## Answer

MINISTER OF LABOUR (SHRI SAHIB SINGH VERMA)

a) to d) A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 11 FOR 18.11.2002 BY SHRI GAJEI SINGH RAJUKHEDI REGARDING SKILL DEVELOPMENT FUND (SDF)

The Task Force on Employment Opportunities headed by Dr.M.S.Ahluwalia, Special Group on targeting 10 million employment opportunities per year over the Tenth Plan period headed by Dr.S.P.Gupta, Second Labour Commission and various other Committees/Groups have recommended setting up of Skill Development Fund for improving the skill level of the workers and skill development of the new entrants to the labour force.

While the Task Force has suggested a small levy on companies to be contributed to a Skill Development Fund which could be used by the Industrial Training Institutes, the Special Group recommended setting up of Skill Development Fund on partnership basis between the industry and the Government with a major voluntary contribution coming from the industry. The Second Labour Commission recommended the establishment of Skill Development Fund in order to provide retraining of workers rendered surplus/obsolete by lay off, retrenchment and Voluntary Retirement Scheme/Early Separation Scheme and training of labour in the unorganized sector. All these Committees have recommended rising of funds from the employer with suitable contributions from the Government. The Second Labour Commission in addition to contributions from the Government and employer has also recommended contributions from the employee. Suitable tax exemption in addition to the tax exemption already existing, have also been suggested.

A National Seminar on Unorganised Sector Labour was organised during 7-8th November, 2002, wherein the skill development and training in the informal sector was one of the items for discussion. Various experts from employees & employer's organisations, NGOs, academicians, Government officials participated in the discussion.Setting up of the Skill Development Fund was one of the recommendations of the seminar.